

BEFORE THE
POSTAL RATE COMMISSION

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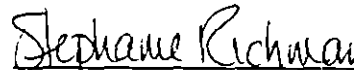
POSTAL RATE AND FEE CHANGES, 1997

**FOURTEENTH SET OF INTERROGATORIES FROM UNITED PARCEL SERVICE
TO UNITED STATES POSTAL SERVICE WITNESS MAYES
(UPS/USPS-T37-75 through 77)**

(September 17, 1997)

Pursuant to the Commission's Rules of Practice, United Parcel Service hereby serves the following interrogatories and requests for production of documents directed to United States Postal Service witness Mayes (UPS/USPS-T37-75 through 77).

Respectfully submitted,



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**INTERROGATORIES FROM UNITED PARCEL SERVICE
TO UNITED STATES POSTAL SERVICE WITNESS MAYES**

UPS/USPS-T37-75. Please refer to page 1, lines 14-15 of your direct testimony, where you state that the current rate structure of Parcel Post is based, in part, on whether "the parcel is mailed and delivered within a bulk mail center (BMC) or auxiliary service facility (ASF) service area."

(a) Please confirm that for rate purposes, an ASF and a BMC are treated identically. If not confirmed, please explain.

(b) Are ASF and BMC service territories mutually exclusive? If not, please explain.

(c) Describe generally where there are ASF service areas.

(d) What dictates whether there is an applicable ASF or BMC service territory? Please explain your answer.

UPS/USPS-T37-76. (a) Please confirm that the DSCF rates are calculated from the DBMC rates (i.e., $\text{DSCF rate} = \text{DBMC (zone 1\&2)} - \text{Nontransportation savings between DSCF and DBMC} - [\text{DBMC (zone 1\&2) transportation cost/piece} - \text{DSCF transportation cost/piece}]$). If not confirmed, please explain.

(b) Please confirm that the DDU rates are calculated from the Intra-BMC Local rates (i.e., $\text{DDU rate} = \text{Intra-BMC rate (Local)} - \text{Nontransportation savings between intra-/inter-BMC} - \text{Nontransportation savings between DBMC and}$

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DDU - [Intra-BMC (Local) transportation cost/piece - DDU transportation cost/piece]). If not confirmed, please explain.

(c) Please explain why DDU rates are not calculated using the same methodology used to calculate DSCF rates (i.e., DDU rate = DBMC rate (zone 1&2) - Nontransportation savings between DBMC and DDU - [DBMC (zone 1&2) transportation cost/piece - DDU transportation cost/piece]).


UPS/USPS-T37-77. (a) Please confirm that the DDU transportation cost per piece (WP I.E., pages 11-12) is calculated using the Intra-BMC cubic feet per piece (WP I.E., pages 1-2). If not confirmed, please explain.

(b) Please confirm that the DSCF transportation cost per piece (WP I.E., pages 9-10) is calculated using the DBMC cubic feet per piece (WP I.E., pages 1-2). If not confirmed, please explain.

(c) Provide an explanation why the DBMC cubic feet per piece (WP I.E., pages 1-2) is not used in calculating the DDU transportation cost per piece.

CERTIFICATE OF SERVICE

I here certify that I have this date served the foregoing document in
accordance with section 12 of the Commission's Rules of Practice.


Stephanie Richman

Dated: September 17, 1997
Philadelphia, PA